29 July 2025

Electricity Authority
PO Box 10041
Wellington 6143
By E- Mail: policyconsult@ea.govt.nz

Re: Evolving multiple retailing and switching – Consultation paper

Counties Energy Limited (**CEL**) welcomes the opportunity to comment on the Electricity Authority's (**EA's**) consultation on the Evolving multiple retailing and switching – Consultation paper.

CEL is registered as both a Distributor and Metering Equipment Provider (**MEP**) under the Electricity Industry Participation Code (**the Code**). We own and operate ~95% of the meters on our network. We do not provide MEP services outside of CEL's electricity distribution network area.

We understand the underlying motivation for EA's proposal is to enable 'consumer mobility', which appears to refer to the ability to switch easily between providers and for different load. To facilitate this, EA has proposed changes to:

- Enable separate traders for load and generation (Stage 1);
- Improvements to the retailer/trader switch process; and
- Refinements to the MEP/Distributor switch process.

While we support the intentions of the EA's proposal to enable more flexible trading relationships, such as Multiple Trading Relationships (**MTRs**) in the current system, we comment on some practical issues below.

Any changes should have a low impact on non-MTR consumers

As suggested in the EA's paper, the proposed changes should not impact on consumers that do not want to participate in an MTR arrangement. CEL agrees with the EA's intention to "minimise change impacts and costs for participants through proposing minimum changes necessary to achieve the objectives, while also laying the foundation for future development of MTR".[1] This is because of the current uncertainty of whether there is likely to be commercial uptake of MTR arrangements, and when this will occur. While there are trials and pilots currently underway, or actively being explored, we consider that commercial MTR services is still a relatively nascent market and will need some time to develop.

This is observed overseas where the consumer appetite for MTR services is still relatively unclear. Recent UK research indicates that, "although consumers desire the benefits and functionalities of use cases supported by having more than one supplier, they prefer not to engage with the additional complexity that entirely bilateral relations would necessitate and prefer market offerings akin to their current experiences with a single supplier".[2] Further, it was identified that use of intermediaries to manage multi-party supplier offerings was generally not preferred by consumers, potentially due to perceived transaction costs and complexity, or a distrust of third parties.

With this, we consider a key objective for the EA's proposal should be to enable consumers to participate in MTR services, either directly or having a service provider do so on their behalf, if they wish to. However, consumers who have no interest or do not want to participate in MTR services, should not be impacted in a significant way.

International lessons

The EA's MTR proposal appears to follow a similar pathway to the proposed changes in Australia and the UK. However, in both markets, it was determined that more flexible trading arrangements beyond separate generation and load traders, was where there could be greater value to consumers.

In 2015, the Australian Energy Market Commission (**AEMC**) considered a proposed rule change to enable MTRs by separating point of connection from point of settlement to reduce costs for customers interested in participating in MTR services. It was ultimately not implemented due to AEMC's finding that costs outweighed potential benefits following advice from two consultant reports:[3]

---

[1] The Electricity Authority. Evolving multiple retailing and switching – Consultation paper, 3 June 2025. p 62, para 8.11. https://www.ea.govt.nz/projects/all/evolving-multiple-trading-and-switching/consultation/evolving-multiple-retailing-and-switching/

[2] Watson, N. E., et al, Consumer preferences for business models with multiple electricity suppliers: Online choice experiments in the United Kingdom. Energy Research & Social Science 109. 2024. p 19. https://discovery.ucl.ac.uk/id/eprint/10186092/1/Huebner_1-s2.0-S2214629623004632-main.pdf

[3] AEMC, Final Rule Determination – National Electricity Amendment (Multiple Trading Relationships) Rule 2016. 25 February 2016. https://www.aemc.gov.au/sites/default/files/content/d37688a5-d16d-442b-80f5-e7fa51d64ab7/Multiple-Trading-Relationships-Final-Rule-Determination.pdf

- KPMG, on its assessment of benefits, identified that nine energy services could theoretically be facilitated, or better enabled, by the proposal. However, this was dependent on early adopters for initial uptake and services to enable customer participation. It also found that all services were already enabled under existing arrangements, by establishing a second connection point, albeit at a cost; and[4]
- Energeia, on its assessments on costs, found that (in most cases) a small customer faced similar or identical direct costs to engage with multiple retailers at a premise under both existing arrangements and the proposed MTR framework, due to a new meter needing to be installed under both cases.[5]

In 2024, AEMC considered another relevant change to allow for Flexible Trading Relationships (**FTRs**), with a wider scope. This would enable customers to create new secondary settlement points for Distributed Energy Resources (**DERs**) or controllable load 'behind' a customer's current meter. A customers' DER could be separately identified and treated independently in market settlements. In September 2024, AEMC approved its staged implementation to enable:[6]

- Large customers to choose multiple retailers for a single premises by using the embedded network framework, or by establishing two connection points to the network;
- On a voluntary basis, 'flexible' DER loads (e.g. EV chargers, batteries) to be separately metered/visible in the energy market from 'passive' consumer loads, such as lights and fridges; and
- The use of in-built measurement capability in technology, such as EV chargers and streetlights, by creating a new separate meter types with lower minimum specifications under the regulatory framework.

A similar proposal was also considered in the UK. In 2021, Elexon UK considered a change (Modification P379) to allow for multiple electricity suppliers to supply energy volumes at a single customer meter point without needing to establish an agreement between the suppliers involved. The proposal was ultimately withdrawn following an independent expert report by CEPA which found that costs to implement outweighed benefits at the time.[7]

[4] Ibid. p 26
[5] Ibid. p 28
[6] AEMC, Final Rule Determination, National Electricity Amendment (Unlocking CER benefits through flexible trading) Rule 2024. 15 August 2024. https://www.aemc.gov.au/sites/default/files/2024-08/Final%20determination%20-%20Unlocking%20CER%20benefits%20through%20flexible%20trading%20-%2015%20Aug%202024.pdf
[7] https://www.elexon.co.uk/bsc/article/modification-p379-is-withdrawn-but-learnings-can-support-future-change/

It was noted however that benefits could be materially different in 5 years' time, with EV and heat pump use becoming more prevalent, and as new business models start to emerge.[8] It was also noted that other changes were being progressed that would enable similar benefits to consumers. This included a change to allow parties to access, balance and settle for flexible loads behind the 'boundary meter' (Modification P375), which mirrors Australia's Flexible Trading Relationships, which would ultimately allow aggregators to compete for flexible loads.[9]

The benefits are greater in future MTR stages

We consider that there are potential benefits in changing the way our current system works to enable more flexible trading relationships and future innovations to occur. We generally agree in principle with the EA's stated outcomes of its proposed MTR changes:[10]

- Reducing barriers to entry and increased competition;
- Increased value to consumers for their Distributed Generation (DG); and
- Laying the foundation for future MTR stages.

However, we consider that the benefit is more in enabling future MTR stages beyond Stage 1, such as allowing for separate multiple traders for individual equipment/appliances (e.g. EV chargers), aggregated and/or controlled load, and peer-to-peer trading schemes. We consider that the marginal benefit of enabling separate traders for generation and load at a single connection point will likely be low.

This is because the current system already allows for the creation of new ICPs for generation export. Under existing Code requirements, metering is also required to record imported electricity separately from export electricity.[11] In practice, multiple retailers can work together to reconcile consumption load and generation export at a single connection point using manual processes under the existing framework.

Given uncertainty, a cost-benefit analysis should be undertaken before any changes occur

While enablement of more flexible trading relationships allows innovation and new market models to emerge, the benefit of new MTR services is difficult to determine given the infancy of the market. This is also consistent with overseas, where benefits are often uncertain as it depends on

---

[8] CEPA, P379 Impact Assessment – Report prepared for Elexon. 23 March 2020. p 9. https://www.elexon.co.uk/bsc/documents/change/modifications/p351-p400/p379-final-cost-benefit-analysis-report/
[9] https://www.elexon.co.uk/bsc/article/ground-breaking-modification-to-support-the-energy-transition-is-approved/
[10] The Electricity Authority. Evolving multiple retailing and switching – Consultation paper, 3 June 2025. p 63, para 8.17. https://www.ea.govt.nz/projects/all/evolving-multiple-trading-and-switching/consultation/evolving-multiple-retailing-and-switching/
[11] The Code. Part 10 – Metering, Clause 10.13A.

DER penetration and consumer appetite for flexible trading arrangements – both very difficult to predict. Given this uncertainty, there is an inherent risk of implementing too early and imposing costs on participants, for a market not ready to develop. This is consistent with the EA's previous view that, if consumer uptake is slow, the benefits might not materialise or materialise in the way expected.[12]

What is more certain is that the proposed changes are likely to be complex and have an impact on most participants, and possible changes to existing reconciliation and clearing systems, if progressed. This will be a cost to retailers/traders, distributors, and MEPs as it will involve changing systems to bill on a meter channel basis, rather than ICP basis, as is the case currently.

For these reasons, we strongly recommend a cost/benefit analysis is undertaken before implementing changes to the Code. This will enable industry participants to better understand the likely benefits and merits of the proposal, relative to costs of enabling MTRs, and whether this is the right time to implement.

Proposed Code changes

If pursued, CEL agrees in principle with the EA's preferred approach for enabling MTRs is to assign trader(s) to the meter channel for all ICPs. However, we consider this raises two key issue relating to the interaction between 'consumption trader' (as 'responsible trader') with the distributor, and the 'generation trader' with the 'consumption trader'.

This is because under the current Code, any participant that trades on, is connected to, or uses a distributor's assets must have in place a default distributor agreement (DDA), or alternative agreement, with the relevant distributor.[13] The DDA sets out the commercial terms (e.g. payment terms, liability etc.) and operational responsibilities (e.g. load control, system security, connections/disconnections etc.) between the trader and the distributor.

However, under the EA's proposed Code amendment, while the 'consumption trader' is required to have a DDA with the distributor as the 'responsible trader', there are no similar requirements for the 'generation trader' to have such arrangement with the distributor. This may create unintended consequences relating to issues with coordination of network operations, system security, and the distributor's ability to recover revenues if left unresolved.

For example, from the proposed Code amendment, it is not clearly defined how to treat a dispute between a generation trader and distributor if there is no contractual relationship in place. One solution could be to require a DDA (or DDA-like) arrangement between distributors and generation

---

[12] The Electricity Authority, Updating the Regulatory Settings for Distribution Networks – Issues paper. December 2022. para 5.71. p 56. https://www.ea.govt.nz/documents/1743/Issues-paper_-Updating-the-regulatory-settings-for-distribution-networks.pdf
[13] The Code. Part 12A.1

traders also. We recommend the EA provides further clarity on this before any changes are implemented.

We again welcome the opportunity to consult on this work. We envision that changes now to future-proof our system will ultimately have the potential to provide value to consumers as new market models begin to emerge. Navigating the uncertainty of when this will occur will be challenging, however we look forward to working with the EA and relevant teams as it develops this work further. CEL would be happy to discuss any aspect of this submission further.

Yours sincerely

[redacted]

Marcus Sin
Senior Regulatory Manager

Annex – Response to questions

Questions	CEL comments
Issues the Authority would like to address	
1. Do you agree that multiple trading relationships and improved switching are key components of consumer mobility? If not, what would you change and why?	CEL agrees in principle that enabling MTRs would improve consumer mobility (as defined in the EA's paper[14]). However, we consider that, enablement by itself is necessary but not sufficient condition for greater consumer mobility to occur. In addition to this, there also needs to be consumer demand for MTR services – a market which is currently still developing and unclear. Given this, we consider that the EA's proposal could impose additional costs in the immediate term to consumers if benefits don't materialise, or don't materialise in a way as expected. For this reason, we consider that any changes proposed should have a low impact on consumers who do not have an interest in MTR services.
2. Do you have any comments regarding future stages of multiple trading, whether the proposal provides optionality for potential future stages, and the options the Authority should consider?	CEL considers it is difficult to ascertain how the industry will develop over time, and in the future, given the limited information available. We caution against committing to any specific path now that may impose "sunk" changes that are difficult to reverse. The approach for MTRs should instead allow for the market to discover innovations and for consumer trends to evolve, which would enable the EA to determine the best time to intervene.[15] A key factor in any change will be timing. The EA's consumer surveys could provide a good avenue to

[14] EA's definition of 'consumer mobility' means to "empower consumers to compare plans, switch providers, adopt new technologies, and trade and share energy". This requires better information, smart tools, and automated services so consumers can make choices based on price, service, or other factors personal to them.
[15] https://www.ea.govt.nz/documents/6186/Electricity_Authority_survey_of_consumers_2023-24.pdf

	test the market for whether there is a strong interest in MTR services by consumers.
Part 1 – Multiple trading relationships	
3. Do you agree with the proposed solution? If not, what would you change and why?	If implemented as a first stage, CEL agrees with the EA's preferred option, to enable MTRs through separate traders for import and export metering channels. However, as indicated in the EA's paper, future MTR stages will create further challenges for other parts of the sector (e.g. reconciliation) that will also need to be addressed. For this reason, we consider a quantitative cost-benefit analysis should be undertaken before any material changes are made.
4. Do you agree with the benefits anticipated from the proposed solution? Are there other benefits you can anticipate or improvements to operational effectiveness and efficiency? Can you quantify these benefits?	We agree in principle with the proposed benefits but consider they may be uncertain at this stage. This is because of the uncertainty of when and what MTR services will develop. We consider benefits from the proposed solution will most likely be gradual as consumers 'onboard' to new MTR services that emerge. This however means that there may be no obvious short-term benefit to consumers from the change being implemented now.
5. Do you anticipate the proposed solution will introduce cost into your organisation, and if so, can you quantify this cost and/or provide a high-level description of the changes that need to be made?	CEL considers that the change will most certainly introduce cost and require resourcing given the materiality of the changes proposed to our billing and Registry integration systems. Future changes to allow for greater MTR services may also impose additional cost, depending on the materiality of the changes proposed. While it is not impossible to change our systems, resourcing to implement the change will be challenging.
6. Do you agree with the advantages and disadvantages of options 2 and 3? If not, why not or how	CEL does not agree with a 'hybrid' approach (option 2) as is likely to introduce unnecessary complexity that will inevitably be displaced in future stages.

would you overcome the disadvantages?	For option 3, we consider this is a practical solution to achieve Stage 1 but will not be scalable or enable future MTR stages to occur. Option 1 offers the least risk and impact on consumers, with lowest costs of implementation on participants. However, there will be some challenges with implementing future MTR stages, including potential changes to reconciliation and settlement systems and processes, and coordination across multiple parties.
7. Do you agree that option 1 is the preferred option over options 2 and 3 and the reasons for preferring option 1? If not, why not?	Yes – CEL considers that on balance, if implemented, option 1 would be the lowest risk option that brings the sector a step closer to enabling MTRs.
Part 2 – Switching processes	
Proposed changes to trader switching arrangements	
8. Should the provision of the average daily consumption remain mandatory, or should it be optional? If optional, please explain why?	CEL has no comment
9. Do you agree with the proposal to align timeframes to a maximum of two business days for NT and AN notifications and to reduce timeframes for the CS file?	CEL has no comment
10. Do you agree with the proposed solutions? If not, what would you change and why?	CEL has no comment
11. Do you agree with the benefits anticipated from the proposed solutions? Are there other benefits you can anticipate or improvements to operational	CEL has no comment

effectiveness and efficiency? Can you quantify these benefits?	
12. Do you anticipate the proposed solutions will introduce cost into your organisation, and if so, can you quantify this cost and/or provide a high-level description of the changes that need to be made?	CEL has no comment
Proposed changes to MEP switching arrangements	
13. Are there any other files that should be added to this list?	No further files at add.
14. Do you agree with the proposed solutions? If not, what would you change and why?	CEL agrees in principle with the proposed solution for MEP switching.
15. Do you agree with the benefits anticipated form the proposed solutions? Are there other benefits you can anticipate or improvements to operational effectiveness and efficiency? Can you quantify these benefits?	CEL has no comment.
16. Do you anticipate the proposed solutions will introduce cost into your organisation, and if so, can you quantify this cost and/or provide a high-level description of the changes that need to be made?	CEL has no comment.
Proposed changes to distributor switching arrangements	
17. Do you agree with the proposed solutions? If not, what would you change and why?	CEL agrees
18. Do you agree with the benefits anticipated from the proposed	CEL agrees

solutions? Are there other benefits you can anticipate or improvements to operational effectiveness and efficiency? Can you quantify these benefits?	
19. Do you anticipate the proposed solutions will introduce cost into your organisation, and if so, can you quantify this cost and/or provide a high-level description of the changes that need to be made?	CEL considers that the proposed solutions will impose costs on distributors, including development costs to amend our existing systems (e.g. billing, Registry integration). While costs are currently unknown at this stage without more information, the more material impact will be in time and effort of staff to redesign our systems and processes. This will create disruption(s) to our usual operations, especially if changes are gradually introduced over several years.
Part 3 – Implementation options and regulatory statement	
Implementation options	
20. Would you prefer a single implementation or a staged implementation? Please give your reasons for your preference	CEL considers that a staged implementation is preferred, as it allows time for the industry to gradually make the changes to existing systems and processes, and for the MTR market (and MTR service providers) to start to emerge.
21. Do you agree with the suggested implementation timeframes? If not, please state you preferred timeframes and give reasons for your preference	CEL agrees.
Regulatory statement for the proposed amendment	
22. Do you agree with the objectives of the proposed amendments for MTR? If not, why not?	CEL agrees.
23. Do you agree with the objectives of the proposed amendments to improve switching processes? If not, why not?	CEL agrees.

24. Do you agree the benefits of the proposed amendment outweigh its costs?	We consider that it is difficult to comment on benefits as EA's paper does not include any quantitative assessment of the benefits relative to the costs (to consumers). Given the significance of the change being proposed, as well as material changes in future stages, we encourage the EA undertake a more thorough analysis of costs to participants, and likely benefits achieved, before a Code amendment is made.
25. Do you have any comments on the preferred and alternative options discussed in the 2019 Issues paper?	While the EA's preferred option for Stage 1 appears to be a practical approach for enabling separate generation and load traders at a single connection point, CEL considers that future MTR stages will likely require significant structural changes in terms of how the current reconciliation and settlement, and coordination of load, work with multiple traders operating at a single premises or connection point. Additional considerations that could be considered for future MTR stages, include: • Separation of 'active' loads (e.g. hot water load) from 'passive' loads (e.g. lighting etc.); • Additional sub-metering 'behind' the connection point, that can be traded and reconciled/settled separately from the 'primary' meter and trader; and • Enabling separate sub-metering for individual equipment or appliances for trading, reconciliation and settlement purposes. We consider that the key challenges will be to ensure that any future system: • Addresses coordination issues during emergency events; and

	• Sets out clear responsibilities for connection and/or disconnection of electrical supply to/from the network.
26. Do you agree the proposed amendment is preferable to other options? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objective in Section 15 of the Electricity Industry Act 2010.	From the options that the EA has assessed, we consider the lowest risk, 'low hanging fruit' option to enable the first stage of MTRs (e.g. injection and export) is to enable separate traders using metering channels through Option 1.
27. Do you agree the Authority's proposed amendment complies with section 32(1) of the Act?	We consider the proposed amendment appears consistent with the approach for more flexible trading relationships overseas, which is to enable the ability to settle volumes at a sub-metering channel basis (or behind the 'boundary point'). However, as noted above, as the benefits are highly uncertain, we consider that a robust quantitative cost-benefit analysis should be undertaken before any Code amendments are made.
Proposed amendment	
28. Do you have any comments on the drafting of the proposed amendment?	No CEL comment.